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On June 25, 2025, the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (“FinCEN”) issued three orders (the “FinCEN Orders”) targeting, and prohibiting certain U.S. persons from engaging in any transfer of funds involving, three Mexican financial institutions: CIBanco S.A., Institución de Banca Múltiple (“CIBanco”), InterCam Banco S.A., Institución de Banca Múltiple (“InterCam”) and Vector Casa de Bolsa, S.A. de C.V. (“Vector”). These actions mark the first exercise of a new authority set forth at 21 U.S.C. 2313a (“Section 2313a”),¹ which was added to the U.S. Code in 2024 by the FEND Off Fentanyl Act. As a result of the FinCEN Orders, U.S. financial institutions will be broadly prohibited from engaging in transmittals of funds involving any of CIBanco, InterCam or Vector, resulting in the disconnection of these Mexican institutions from the U.S. financial institutions and additional market impacts.

Section 2313a authorizes FinCEN (i) to determine that “reasonable grounds exist for concluding” that a financial institution that has operations outside of the United States is “of primary money laundering concern in connection with illicit opioid trafficking” and (ii) to require U.S. financial institutions to take certain measures based on any such determination, including through the imposition by FinCEN of prohibitions or restrictions on transmittals of funds involving such financial institutions. The FinCEN Orders—the first orders to be issued under Section 2313a—state that CIBanco, InterCam and Vector have each played a longstanding role in laundering money on behalf of Mexico-based cartels and in facilitating payments for the procurement of precursor chemicals used for the production of illicit opioids.

The FinCEN Orders direct “covered financial institutions”²—a concept that captures U.S.-based banks, brokers, and other financial institutions, as well as casinos—to refrain from engaging in transmittals of funds from or to the Mexican branches of CIBanco, InterCam or Vector, or from or to any account or convertible virtual currency address administered by or on behalf of CIBanco, InterCam or Vector. The FinCEN Orders also provide that covered financial institutions are expected (i) to consider FinCEN’s finding of primary money laundering concern regarding CIBanco, InterCam and Vector when complying with their other obligations under U.S. anti-money laundering laws and regulations (including the U.S. Bank Secrecy Act of 1970, as amended by the USA PATRIOT Act) and (ii) to implement procedures to ensure compliance with the terms of the FinCEN Orders, including know-your-customer (“KYC”) and other due diligence protocols designed to prevent such financial institutions from inadvertently engaging in, or facilitating, funds transfers involving CIBanco, InterCam or Vector.

The measures imposed pursuant to the FinCEN Orders, including the associated prohibitions on transmittals of funds, are not effective until the date that is twenty-one (21) days after the date of publication of the FinCEN Orders in the Federal Register. This delay in effectiveness is intended to afford the market a period during which actions can be taken to unwind or transition exposure to CIBanco, InterCam or Vector, as the case may be. Notably, FinCEN Orders do not target, and do not expressly prohibit fund transfers involving, subsidiaries, branches, or offices of CIBanco, InterCam or Vector located or operating outside of Mexico, including any such subsidiaries, branches or offices in the United States.

Key Takeaways

The FinCEN Orders reflect the Trump Administration’s focus on the targeting and disruption of transnational criminal organizations and illicit narcotics trafficking activities through national security, foreign policy, financial regulatory, international trade, and law enforcement tools at its disposal. As a matter of compliance with law, U.S. financial institutions can be expected to move quickly to identify, unwind, prevent, and avoid exposure to each of CIBanco, InterCam and Vector

¹ The FEND Off Fentanyl Act amended Section 7213 of the Fentanyl Sanctions Act to authorize the U.S. Secretary of the Treasury to impose an additional special measure to prohibit, or impose conditions upon, certain “transmittals of funds” by covered financial institutions.

² “Covered financial institutions” is defined in 31 CFR 1010.100(t).

as required under the FinCEN Orders, resulting in a virtually complete exclusion of these Mexican institutions from the U.S. financial system. Additionally, as a matter of risk management, foreign (*i.e.*, non-U.S.) financial institutions with meaningful exposure to the U.S. market can be expected to take similar actions, and both U.S. and non-U.S. financial institutions may also seek to avoid exposure to the non-Mexican subsidiaries, branches, and offices of each of CIBanco, InterCam and Vector.

The customers and counterparties of any such U.S. or non-U.S. financial institutions, while not the focus of the compliance obligations under the FinCEN Orders, will be impacted by the FinCEN Orders to the extent that their transactions or investments involve exposure to CIBanco, InterCam or Vector, directly or indirectly, including where any of these Mexican institutions acts as a lender, agent, or trustee in the context of a financing or investment transaction with separate exposure to the U.S. financial system. As a result, for the purposes of transactional and operational risk management, asset preservation, liquidity management, and reputational considerations, it would be prudent for such parties to seek to identify and assess any exposure to CIBanco, InterCam or Vector and consider potential actions toward managing associated risk, on a case-by-case basis, including through dialogue with relevant financial institutions, where appropriate.

Please feel free to reach out to your Milbank contacts with any particular questions or concerns regarding these developments or anti-money laundering compliance and risk management matters more broadly.

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